

**CENTRAL INTELLIGENCE AGENCY**

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4. Selbmann also noted that the coal distribution organization was still too cumbersome and complicated and no clear delineation existed between the activities of the state marketing organs (Marketing Department of the Ministry) and the trade agencies (DHZ Kohle). The chief organizational fault was the fact that the two dispatch offices (Versandstellen) in Leipzig and Senftenberg, with whose help the Ministry's Marketing Department distributes solid fuels, were affiliated with DHZ Kohle. The Marketing Department was therefore in no position to give direct orders to these dispatch offices; generally the long route through the trade organs had to be taken.

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5. Decree 85/35, prepared by the Ministry, should remedy these shortcomings by removing the two dispatch offices from DHZ ~~Kohle~~'s jurisdiction and affiliating them with the Marketing Department. Selbmann pointed out that direct supplying to big consumers (Direktverkehr) makes up the overwhelming part of solid fuel marketing, while DHZ ~~Kohle~~ handles only 25% of fuel production through its trading activities. The new regulation will not only lead to simplification but will also reduce costs of the coal trading organizations. In the personnel area alone at least 150 positions can be eliminated. To simplify the situation still further, the biggest consumer, the Reichsbahn, should set up a coal assignment office (Kohlebezugsstelle) as soon as possible. A unified freight rate for transporting solid fuels should also be worked out.



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CLASSIFICATION

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CENTRAL INTELLIGENCE

INFORMATIONAL REPORT

REPORT

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CD NO.

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COUNTRY

East Germany

DATE DIST

20 May 1955

SUBJECT

Ministry of Heavy Industry: Distribution  
and Supply of Coal

NO. OF PAGES

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ACQUIREDNO. OF ENCL.  
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1. Minister Fritz Selbmann informed the Kollegium of the East German Ministry for Heavy Industry on 23 February 1955 that the substantial difficulties in coal distribution were due to:

a. numerous breakdowns and stoppages in solid fuel production which caused production to fall behind schedule and in turn necessitated many changes in distribution and delivery plans;

b. imports of pit coal and coke expected in 1954 did not materialize. As a result, the Reichsbahn in particular had to be supplied largely with briquettes and other customers were not supplied with what they ordered, if they were supplied at all;

c. because of such forced changes, many delivery contracts could not be filled and the General Contract System was not being applied at all;

d. finally, there were a number of shortcomings in the distribution apparatus which would have to be overcome immediately.

2. Selbmann stated that his Ministry had no influence on the import situation, and it was already apparent that imports of pit coal and coke in the first quarter of 1955 would be below expectation.

3. On the other hand, the production plan fulfillment in the first weeks of 1955 was considerably better than it had been in 1954. As of 15 February 1955, the lignite yield was 100% of plan and open pit (Abraum) production, in spite of bad weather, 101.9% fulfilled. Lignite briquette output reached 97.4% of plan.

4. Selbmann also noted that the coal distribution organization was still too cumbersome and complicated and no clear delineation existed between the activities of the state marketing organs (Marketing Department of the Ministry) and the trade agencies (DHZ Kohle). The chief organizational fault was the fact that the two dispatch offices (Versandstellen) in Leipzig and Senftenberg, with whose help the Ministry's Marketing Department distributes solid fuels, were affiliated with DHZ Kohle. The Marketing Department was therefore in no position to give direct orders to these dispatch offices; generally the long route through the trade organs had to be taken.

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5. Decree 85/35, prepared by the Ministry, should remedy these shortcomings by removing the two dispatch offices from DHZ-Kohle's jurisdiction and affiliating them with the Marketing Department. Selbmann pointed out that direct supplying to big consumers (Direktverkehr) makes up the overwhelming part of solid fuel marketing, while DHZ Kohle handles only 25% of fuel production through its trading activities. The new regulation will not only lead to simplification but will also reduce costs of the coal trading organizations. In the personnel area alone at least 150 positions can be eliminated. To simplify the situation still further, the biggest consumer, the Reichsbahn, should set up a coal assignment office (Kohlebezugsstelle) as soon as possible. A unified freight rate for transporting solid fuels should also be worked out.

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